

## Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 IGA-02 SSO-00

INRE-00 NSCE-00 /155 R

\$RAFTED BY LA/E:WCLARKE:BT  
APPROVED BY ARA/LA/EP:SPRINGLE  
L/ARA-DGANTZ (SUBS)  
EB/IFO/OIA:RSMITH (SUBS)  
EB/ORF/FSE:MCREEKMORE (SUBS)  
TREASURY:WCMCFADDEN (SUBS)

----- 068154

O P 301256Z SEP 74  
FM SECSTATE WASHDC  
TO AMEMBASSY QUITO IMMEDIATE  
INFO AMCONSUL GUAYAQUIL PRIORITY

C O N F I D E N T I A L STATE 214726

E.O. 11652: GDS  
TAGS:PGOV, EINV, ENGR, EC  
SUBJECT:TEXACO-GULF PROBLEMS

REF: QUITO 6328, STATE 207069

1. GULF WASHINGTON REP ORTIZ TOLD DESK SEPTEMBER 27, THAT  
MATTER OF GOE ARREARS IS CURRENTLY BEING EXAMINED BY HIS  
COMPANY'S BOARD OF DIRECTORS AND THAT MATTER IS BEING  
VIEWED SERIOUSLY. HE STATED THAT IF GOE CONTINUES TO  
IGNORE ITS OBLIGATIONS, DEBT TO T-G WILL REACH ABOUT  
DOLS 75 MILLION BY END OF YEAR. ORTIZ CLAIMED THAT COMPANY  
COULD NOT CONTINUE TO OPERATE AT THOSE DEBT LEVELS AND THAT  
IT LIKELY THAT T-G WOULD DECIDE TO CLOSE DOWN OPERATIONS  
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IF DEBT PASSED DOLS 75 MILLION LEVEL.

2. IN RESPONSE TO GOE DEMAND PRESENTED BY CEPE HEAD, VAGAS, THAT PARTICIPATION CRUDE BE PURCHASED AT 93-95 PERCENT OF TRV, T-G NEGOTIATING TEAM TO BEGIN TALKS WITH GOVERNMENT THIS WEEKEND. ORTIZ SAID THAT TEAM IS TO EXPLAIN THAT RESULTING EXPORT PRICES WOULD BE CONSIDERABLY OUT OF LINE WITH PREVAILING WORLD PRICE FOR CRUDE WHICH IS CURRENTLY LAID DOWN IN U.S. EAST COAST AND PUERTO RICO AT APPROXIMATELY DOLS 10.50 A BARREL.

3. ORTIZ STATED THAT HIS COMPANY NOW "AS CONCERNED AS TEXACO" AND THAT AN APPROACH TO GOE BY EMBASSY MAY BECOME

NECESSARY. ORTIZ AGREED THAT NO APPROACH SHOULD BE MADE UNTIL T-G PRICE NEGOTIATING TEAM HAS MET WITH ECUADOREANS AND UNTIL COMPANIES HAD OPPORTUNITY TO LEARN POSITION OF MINISTRY OF NATURAL RESOURCES IN MATTER OF BUY-BACK PRICE. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, FOREIGN POLICY POSITION, NEGOTIATIONS, DEBTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE214726  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740275-0406  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** QUITO 6328, STATE 207069  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CollinP0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
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30 JUN 2005

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXACO-GULF PROBLEMS  
**TAGS:** PGOV, EINV, ENRG, EC, TEXACO, GULF, CEPE  
**To:** QUITO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005